

Spotlight on retirement

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION • DECEMBER 2014 • VOL. 25, NO. 4



LACERA ACCOMPLISHMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

LACERA Congratulates Our Returning Board Members

Congratulations to those elected in August for seats on LACERA's boards. Each member will serve a three-year term, beginning January 1, 2015.

Board of Retirement (BOR)

The following individuals were reelected to the BOR: Mr. Chery, by active members, and Mr. de la Garza and Mr. Muir, by retired members.

Yves Chery also serves as president of the State Association of County Retirement Systems and sits on the Trustees Committee of the International Foundation

of Employee Benefit Plans. Mr. Chery serves the County through his work with at-risk youth as a Deputy Probation Officer II. He is a strong supporter of LACERA's worksite counseling seminars and other outreach programs. He is a graduate of California State University-Northridge, holds a Master of Fine Arts degree from California Institute of the Arts, and a Juris Doctor degree from Southern California Institute of Law.

William "Bill" de la Garza was first elected to the BOR in 2003.

He retired from the position of Deputy Director of Parks and Recreation in 1991, after 35 years with the department. He has lectured on sports and recreation administration at area universities and has authored publications on sports officiating. Mr. de la Garza is a past president of the California Retired County Employees Association and the Retired Employees of Los Angeles County. He is also a past chair of the BOR.

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Upcoming Holidays

LACERA will be closed on:

- Thursday, December 25, for Christmas Day
- Thursday, January 1, for New Year's Day
- Monday, January 19, in observance of the birthday of Martin Luther King, Jr.
- Monday, February 16, in observance of Presidents' Day

Sorry We're
CLOSED

Los Angeles County Employees
Retirement Association

Board of Retirement:

YVES CHERY

Chair
Elected by General Members

ALAN J. BERNSTEIN

Vice Chair
Appointed by Board of Supervisors

WILLIAM DE LA GARZA

Secretary
Elected by Retired Members

MARVIN ADAMS

Appointed by Board of Supervisors

VIVIAN H. GRAY

Elected by General Members

SHAWN R. KEHOE

Elected by Safety Members

JOSEPH KELLY

Acting County Treasurer & Tax Collector
Ex-Officio Member

DAVID L. MUIR

Alternate Retired Member
Appointed by Board of Retirement

RONALD A. OKUM

Appointed by Board of Supervisors

WILLIAM R. PRYOR

Alternate Member
Elected by Safety Members

LES ROBBINS

Appointed by Board of Supervisors

Board of Investments:

JOHN M. BARGER

Chair
Appointed by Board of Supervisors

DAVID GREEN

Vice Chair
Elected by General Members

SHAWN R. KEHOE

Secretary
Elected by Safety Members

JOSEPH KELLY

Acting County Treasurer & Tax Collector
Ex-Officio Member

DIANE A. SANDOVAL

Elected by Retired Members

HERMAN B. SANTOS

Elected by General Members

MICHAEL S. SCHNEIDER

Appointed by Board of Supervisors

LEONARD UNGER

Appointed by Board of Supervisors

ESTEVAN R. VALENZUELA

Appointed by Board of Supervisors

Chief Executive Officer

GREGG RADEMACHER

Assistant Executive Officer

ROBERT HILL

Assistant Executive Officer

JJ Popowich

From the
Executive Desk

Gregg Rademacher – CEO, LACERA



2014: The Year That Was

As the year winds to a close, it's natural to take a look back at everything that's been accomplished. It's also prudent to look forward and consider what you want realized in the year ahead. It's a time to reflect on how we did and acknowledge our gains.

At LACERA, we strive to be a premier retirement system as we service one of the largest retirement populations in America. We continue to build our core practices, as we keep a mindful eye on the future. I'm reminded of a quote I heard recently, "Goals are dreams with deadlines." What better reason to review our performance at LACERA in 2014?

The Fund

For this fiscal year, amid continued market volatility, the total Fund returned **16.8 percent** (gross of fees), and totaled **\$47.7 billion** Net Position Restricted for Benefits (representing the assets available for future payments to retirees). This represents an over-performance of 150 basis points above its Policy Benchmark, which returned 15.3 percent. All of this continues to be good news for LACERA and our members. For more details about our financial condition, I recommend you read the **enclosed LACERA Popular Annual Financial Report (PAFR) for 2014**.

Retiree Healthcare – Tier 2

One big change we experienced at LACERA was Tier 2. The County introduced this new retiree health insurance program for **new employees hired after June 30, 2014**. The

program, formally called the Los Angeles County Retiree Healthcare Benefits Program – Tier 2, offers benefits covering hospital, medical, and dental/vision services to County retirees. **However, retiree healthcare benefits did not change for current active, deferred, and retired members and their eligible survivors (hired before June 30, 2014).**

The total Fund returned a healthy 16.8 percent.

A portion of the fiscal year was spent preparing for the changes Tier 2 would bring. This included collaborating and working with the County, mailings to members, updates to lacera.com, outreach to strategic partners (the HR professionals), programming in our Systems and Retirement Health Care divisions, and creating new marketing materials, all in an effort to better explain how Tier 2 would affect new employees and to ensure current members their benefits would not change.

Tier 2 came about based on the County's expanding workforce and increasing costs of healthcare, which gave rise to concerns about the long-term cost and viability of the LACERA-administered Retiree Healthcare Benefits Program as it was structured. These concerns prompted the County to cost-reduction options.

The basic differences in Tier 2 can be summarized as follows: County retiree medical and dental/vision subsidies apply to retiree-only coverage; and

From the Executive Desk cont'd from pg. 2

Medicare eligible retirees and eligible dependents must now enroll in Medicare Parts A and B, and in a Medicare plan.

To learn more about Tier 2, visit lacera.com in the Retiree Healthcare section.

Quality Customer Service

One of the cornerstones of LACERA is our **award-winning customer service**, and this past year was no different. We pride ourselves in being a responsive aide to our members, as well as anticipating what they'll need in the future.

This year, LACERA graduated **two classes of new hires and two new supervisors** through our core training program in Member Services and Claims Processing. These are the people who will soon be answering your phone calls and questions. To continually improve the program's effectiveness, our Quality Assurance team and Human Resources training coordinator monitor this program's progress and solicit participant feedback. We also appointed **three new section heads** in Claims Processing, under the new

organization structure. I'm happy to report, all of our staff members in each new section adapted to their new roles and developed close working relationships with their new partners. All of this will provide efficient and accurate support for our members.

If you remember from last year, one of our focal points was implementing PEPRA. After successfully addressing the PEPRA inundation, our Claims Processing **queues are now at historic lows**. This was a great achievement and I'm grateful to staff for making this happen.

Lastly, our new **online workshop reservation system** has proven to be a hugely, popular success. The system itself is now booked out months in advance, so plan accordingly if you are looking at attending a workshop or a one-to-one counseling session in the near future.

My LACERA Expands

When we speak about LACERA in terms of our future, no other service better exemplifies this than My LACERA. This **personalized portal on lacera.com** offers active and retiree members the chance to review

and update their personal information online, which then becomes part of their official record with LACERA.

It's now possible for **retiree members** to update and make changes to their tax withholding and beneficiary information — as well as enroll, make changes to, or cancel a direct deposit account.

Members can make updates or changes in the comfort of their own homes, after creating a My LACERA account. Our goal is to rollout more My LACERA features for our members in the coming years.

Happy Holidays

This time of year is always a joyous and festive occasion for so many of us, regardless of which holiday (or holidays) we choose to celebrate. To paraphrase Mr. Crosby, my wish for you this season is that you're surrounded by laughter and loved ones – and that your year ahead may be merry and bright.



LACERA'S SPECIAL DURABLE POWER OF ATTORNEY

If you haven't already done so, this is the time to ensure your wishes are observed if you are no longer able to manage your own affairs.

Having a LACERA Special Durable Power of Attorney on file will ensure that LACERA will be able to handle your retirement benefits without interruption and in accordance with your wishes, should you become unable to handle your own affairs.

What Is a Power of Attorney?

A power of attorney is a document that

legally authorizes a family member or trustworthy friend, lawyer, financial advisor, or any other designated person to act as an agent (also known as attorney-in-fact) for an individual (known as the principal). The agent functions like a court-appointed guardian for the principal, but without the fees that a court-designated guardian can charge and without the necessity of court approval. It's important to understand that a power of attorney does not prevent a member from taking care of his or her own retirement affairs. However, in the

event a member with a durable power of attorney on file becomes too ill to manage his or her own affairs, the member's designated attorney-in-fact will handle the member's retirement matters.

In order to protect your interests, it's important to understand the different powers of attorney. The one LACERA offers is a special durable power of attorney.

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LACERA HEALTHCARE PLAN

Federal Government and Registered Domestic Partner

If your registered domestic partner is a covered dependent on your LACERA-administered healthcare plan, the amount of the County subsidy provided for your domestic partner may be subject to federal tax.

The federal government does not recognize a domestic partner as a legal dependent. Therefore, the IRS considers the amount the County pays

toward your domestic partner's health benefits to be imputed income (a non-cash, employer-provided benefit for any person who is not qualified as your tax dependent, except your legal spouse).

Reported on a Separate Form 1099-R

The IRS requires LACERA to report, on a separate Form 1099-R, the annual imputed income of any member who covers a registered domestic partner

on his or her LACERA-administered health plan. If you cover a registered domestic partner, LACERA will mail two Form 1099-Rs to you by the end of January – one reporting your imputed income and one reporting your annual retirement fund distributions.

The IRS decision to treat legally married same-sex couples as married for federal tax purposes does not apply to registered domestic partners.

Board Elections cont'd from pg.1

David L. Muir is the alternate retired member of the BOR. He has had a distinguished career as a government attorney, first as a member of the Los Angeles County Counsel's Office and later as Chief Counsel of LACERA. In addition, Mr. Muir was a member of a private law firm specializing in business litigation. He served as a founding member and past president of National Association of Public Pension Attorneys (NAPPA) and chair of the Long-Term Care Insurance Rate Increase Committee. Mr. Muir is also a frequent speaker on public pension issues. He has a Bachelor of Science degree from the University of California–Los Angeles and a Juris Doctor degree from Loyola University School of Law.

Board of Investments (BOI)

The following individuals were reelected to the BOI: Mr. Green, by active members; Ms. Sandoval, by retired members.

David Green serves as a social worker for the County Department of Children and Family Services, where he is dedicated to protecting the rights of children and families. As a Board member, Mr. Green is committed to ensuring the long-term security of LACERA retirement benefits. He has served as an officer in two local SEIU affiliates and as the chair of the SEIU Retirement Committee. Mr. Green is the founder and executive director of the charity Noise for the Needy and holds a Masters degree in social work

from the University of Southern California.

Diane Sandoval is a retired LACERA employee who first joined the Board in 2006. During her 40-year career, she served in a variety of positions, including LACERA Accounting Division Manager. Her experience and first-hand knowledge of our operations provides keen insight to the Board. Ms. Sandoval is treasurer of California Retired County Employees Association and sits on that group's Executive and Finance Committee.

All of these Board members' three-year terms expire on December 31, 2017.

"To shorten winter, borrow some money due in spring."

– W.J. Vogel



LACERA's boards, management, and staff wish you a holiday season full of peace, happiness, and prosperity now and throughout the coming year.

Direct Deposit – Easier Than Ever

Direct Deposit is still the safest and most secure way to receive your retirement allowance on a monthly basis. LACERA recently improved this feature for new enrollees by shortening the process time of enrollment.



Deposit account created on June 19th would begin on July 31st.

Safe, Secure, and Convenient

With Direct Deposit, your money will be electronically deposited directly into your checking or savings account on the last business day of each month. Your funds are available for access that same day. The deposits are transferred into your account every month like clockwork, and there's never a risk of your check getting lost or stolen.

LACERA offers three simple methods for enrolling in, making changes to, or canceling an existing Direct Deposit account – on My LACERA, by phone, or by mail.

1. My LACERA can be found on lacera.com. If you're a registered user of My LACERA, sign in to your account and select Direct Deposit from the menu.
2. By phone, simply call LACERA at 800-786-6464. Be ready to provide your account number and bank routing number.
3. If you prefer by mail, go to lacera.com in the "Brochures

& Forms" section, then print and complete the Direct Deposit authorization form.

Verifying Enrollment

After LACERA receives your authorization form (or your call, if you enrolled by phone), you will receive a confirmation notice from us asking you to verify your account information. If you change your Direct Deposit information in your My LACERA account, a confirmation page is displayed that you may print for your records. In addition, a confirmation letter is mailed to your address on file. To report any errors, call LACERA immediately.

It's really that easy – Once you're enrolled, you won't have to fill out a deposit slip or stand in line at the bank again. LACERA encourages you to take full advantage of this service by signing up today.

LACERA is mindful of getting retirees their payments in a timely manner. However, if incorrect information is recorded, delays in processing or unforeseen banking issues may occur. If this is the case, your first retirement allowance may be by check and may be delayed approximately one week until your Direct Deposit begins.

2015 Payday Calendar

January						
S	M	T	W	T	F	S
				H	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	H	20	21	22	23	24
25	26	27	28	29	B	31

February						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	H	17	18	19	20	21
22	23	24	25	26	B	28

March						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	M	D				

M = Check Mailing

D = Direct Deposit

H = Holiday

B = Both Mailing and Direct Deposit

STAYING HEALTHY TOGETHER

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Feeding Diabetes

This material is presented for informational purposes only. For nutritional and medical advice regarding your personal situation, consult with a health professional. LACERA does not offer medical and/or other health advice.

It's not news that nutrition plays a strong role in preventing and managing diabetes – but knowing what to eat can be confusing. And balancing what you know you should eat and what you want to eat isn't always easy. It's really not that hard. Read the tips below (and work with your doctor or nutritionist) to get ideas for a meal plan that's best for you.

What to Eat

Choose foods low in saturated fats, trans fats, cholesterol, salt, and added sugars. Experiment with recipes that include fruits and vegetables, fish, lean meats (skinless chicken or turkey), dried peas or beans, low-fat or nonfat milk and cheese, whole-grain cereals, breads, crackers, rice, and pasta. The American Diabetes Association (ADA) has lots of healthy recipes that make eating healthy tasty and satisfying. Go to www.diabetes.org/mfa-recipes/recipes for more ideas.

Each meal or snack should combine a lean protein (meat, egg whites, low-fat cottage cheese, or yogurt) or healthy fat (olive oil, canola oil, nuts, seeds, or avocado) with a healthy carbohydrate. Healthy carbohydrates include whole grains (brown rice, whole-wheat pasta, whole-grain bread, cereal, crackers, quinoa, or barley), whole fruit (not juice or dried fruit), and vegetables.

These types of carbohydrates increase blood sugar less rapidly than processed, refined carbohydrates that are often full of sugar. They're also high in fiber, which slows the emptying of food from your stomach — helping you feel fuller longer and improving blood sugar control. To keep blood sugar steady, eat a meal or snack every four hours. And try to eat within 30 minutes of waking up in the morning.

11 Diabetes Superfoods

Include these nutrition superstars on your shopping list and in your diet for appetizing health benefits:

1. Beans: They come in so many varieties, you could eat them every day of the week and not have the same one twice. They're also high in fiber so they digest slowly, are a good source of calcium and protein, and even help lower cholesterol.

2. Dark green, leafy vegetables: These powerhouse foods include spinach, collards, and kale. They're a great source of fiber, calcium, and folate, which research shows can reduce the risk of heart disease.

3. Citrus fruit: Enjoy a grapefruit, orange, lemon, or lime and get part of your daily dose of soluble fiber and Vitamin C.

4. Sweet potatoes: Packed full of Vitamin A and fiber, these delicious roots make a great substitute for regular potatoes.

5. Berries: Blend them into smoothies, spoon them into yogurt, or eat them on their own and get the tasty rewards: antioxidants, vitamins, and fiber. Studies show that they can even lower blood pressure and boost good HDL cholesterol.

6. Tomatoes: No matter how you eat them — raw, pureed, or in a sauce — you'll get vital nutrients like iron and Vitamins C and E.

7. Salmon: It's a rich source of omega-3 fatty acids — the healthy fats that reduce the risk of heart disease, reduce inflammation, and improve insulin resistance. Salmon is also a great source of Vitamin D.

8. Whole grains: They offer all the nutrients of a grain product, including magnesium, chromium, omega 3 fatty acids, and folate. Barley is particularly beneficial, because it's loaded with beta-glucan — a soluble fiber that can lower cholesterol.

9. Nuts: Packed with healthy fats, they also help curb hunger. Walnuts and flax seeds offer the extra benefit of omega-3 fatty acids.

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Feeding Diabetes

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10. Fat-free milk and yogurt: A great source of calcium and Vitamin D — a potent diabetes-controlling combination. Research suggests that the Vitamin D supplied by dairy products can also reduce blood pressure and ward off the flu.

11. Dark chocolate: Rich in antioxidant flavonoids, this sweet treat may help improve your good and bad cholesterol and reduce your blood pressure. It's high in calories, so nibble just a little.



Diabetes & You



As you read this, you're probably in the middle of another festive holiday season, relaxing and enjoying everything this time of year has to offer. But believe it or not, there's never been a better time to start thinking about living healthier. So before you drink that glass of eggnog or eat another sugar cookie, take a look at these interesting health tips. In conjunction with LACERA's Staying Healthy Together program, we're taking a look at diabetes and some simple things you can do in order to prevent it.

Where to Begin

The single best way to prevent diabetes is to watch what you eat. It's not only what you eat but also how much you eat and when you eat it. Learning how different foods affect your blood sugar is the first step toward blood sugar stability.

To begin with, consider your daily carbohydrate intake. Carbs have a tremendous impact on your blood sugar. Managing your carbs properly is essential to a healthier lifestyle.

For all the food you eat, follow the suggested guidelines for the portion size, using a measuring cup or scale if necessary. Adjust your meal planning by noting the portion sizes of the food you love to eat most often. Another helpful hint: Use smaller plates. By reducing the quantity of food you eat, you cut calories, and you're on your way to a healthier you.

The next piece in the healthy living puzzle is exercise.

Exercising helps you more than you may realize. Losing weight often promotes health, but exercise can also help you use insulin more effectively by converting glucose into energy, which is the ultimate goal. Remember to stay hydrated when you exercise. Dehydration negatively affects blood sugar levels.

Another factor to a healthier you is managing your stress. When stressed, your body produces hormones that may cause a rise in your blood sugar. And as you already know, exercise is a wonderful stress reliever, so you can do twice as much good for yourself by simply changing a few habits.

Other Factors to Consider

When you're sick, your body produces stress-related hormones that fight a particular illness. But these same hormones can also raise your blood sugar. Changes to your

appetite or altering your daily activity can also increase your risk for diabetes.

Another effective tool in preventing diabetes is joining a support group. It's also a great way to connect with other people working on diabetes management.

This final tip may be the most difficult for some people – cut back on your TV time. The hours spent watching TV are directly related to diabetes risk. People who watch a lot of TV may not be as physically active. The increased chance of snacking during TV shows also can contribute to an unhealthy lifestyle. Find a more active alternative at least three times per week.

Unfortunately diabetes is on the rise in the U.S., partly because of our obesity epidemic. Diabetes currently affects more than 25 million Americans, which makes up more than 8 percent of our population. Eat right, exercise more, and reduce your stress – so you're not another statistic of diabetes.

As the holidays come to a close, this is a perfect time to start down a new healthier path for 2015.

Quick Tips to a Healthier You:

- Stay active
- Cut the calories
- Be mindful of what you eat
- Reduce stress
- Stay hydrated

Symptoms of Diabetes:

- Extreme hunger
- Fatigue
- Increased thirst
- Frequent urination
- Blurred vision



Reminder: Consult with your physician before beginning any weight loss and/or exercise program. LACERA does not offer medical advice.

CDC's Division of Diabetes Translation. National Diabetes Surveillance System available at www.cdc.gov/diabetes/statistics

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lacera.com

Beneficiary | FAQs |

1. Q: Does LACERA pay a death/burial benefit to the beneficiary of a retired member?

A: Yes, all LACERA retirement plans include a one-time, lump-sum death/burial benefit of \$5,000 payable to the beneficiary upon the death of a retired member.

2. Q: Are taxes withheld from the \$5,000 death/burial benefit which is provided for retired members?

A: Yes, LACERA is required to withhold 20 percent in federal income tax, and if you reside in California, LACERA must withhold an additional 2 percent in state tax.

However, your benefit payment may be eligible for rollover by you or LACERA to a traditional IRA or an eligible employer plan, which allows you to postpone taxation of that benefit until it is paid to you. You have 60 days after you receive the benefit payment to roll over all or part of it to a traditional IRA or to an eligible employer plan that accepts your rollover.

Note: Your payment cannot be rolled over to: Los Angeles County's 401(k) Savings Plan and Horizons 457 Plan, a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA).

More specific information on the tax treatment of payments from qualified employer plans is available in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, online at www.irs.gov, or by calling 800-TAX FORMS.

3. Q: How long will I have to wait to receive my continuing allowance?

A: Death benefit payments to survivors begin one payroll cycle after LACERA has been notified of the member's death. Death benefit payments to named beneficiaries begin 30 days from the date all required documents have been received by LACERA. Required documents are: claim forms, death certificate, original certified marriage license or Certificate of Registered Domestic Partnership, and original certified birth certificates.

The first payment goes to the **member's Direct Deposit account**. The survivor needs to set up a new account. This can be completed or created at My LACERA. Here survivors can enroll in, make changes to, or cancel an existing Direct Deposit account. If you're a registered user of My LACERA, sign in to your account and select Direct Deposit from the menu.

Look for Your 1099-R in the Mail

Your 2014 1099-R Is in the Mail

In compliance with Internal Revenue Service (IRS) regulations, LACERA will mail a Form 1099-R to all retirees and survivors by the end of January. The IRS requires LACERA to file a 1099-R to report retirement fund distributions made to you during the year.

Access Your 1099-R on My LACERA

Registered users of My LACERA can view and print their current and prior years' 1099-Rs from their account now. The 2014 1099-Rs will be available on My LACERA in February.

Hold on to Your December Check Stub or ADR

For ease of recordkeeping, you may find it helpful to keep your December check stub or Automatic Deposit Receipt (ADR). Both the ADR and the check stub show the total amount of your 2014 healthcare deductions. They could come in handy if you need that information before your Form 1099-R arrives to you in the mail or is accessible on My LACERA.



Encore Entrepreneurship

In September, we introduced a new *Spotlight* feature, “Retirement Matters” that discussed the latest generation of retirees, who have redefined retirement by returning to work. A 2014 study, “Working in Retirement: Myths and Motivations,” explored retirees’ career inventions, identifying four categories of working retirees. **One of these emerging models of retirement: encore entrepreneurship.**

What is entrepreneurship? According to master entrepreneur Richard Branson: “Entrepreneurship is about turning what excites you in life into capital, so that you can do more of it and move forward with it.” If there’s something you just adore doing – grooming horses, helping family members with their taxes, decorating cakes, taxidermy – it just might be a new business.

Your status as a retiree (hence the “encore” in “encore entrepreneurship”) may afford you unique advantages over less-experienced entrepreneurs. In addition to funding you may have set aside, you have a different kind of wealth in your accumulated professional experiences.

Is there something you wanted to pursue but never had the time in your working life? Perhaps an idea sat on the backburner for years. Well, now’s the time to get cooking.

Turn Your Interest into an Income Stream

If you’re unsure about a business idea, try identifying connections between what really engages you and what people need. If you look around, you may notice a void in the market: a popular coffee shop that went out of business, a social issue your

community is unsure how to resolve, or a program at a nearby school that’s ended. If it’s occurred to you, it’s likely occurred to others, and you have a potential business to meet a pressing need.

Once you have a strong business concept, your next steps are to:

1. **Consult** your resources (see below).
2. **Design** the business: (What will it be called?, What will it offer?, Where will it be located?, When will it be open?, How will you operate it?).
3. **Create** promotional materials (set up a business website, create signage and business cards).
4. **Prepare** to launch (announce it to your community, place ads in print and online, open a business bank account, incorporate the business, select a payment process).
5. **Market** and target (present to groups that include your potential clients, oversee the invoice and payment process, monitor deposits to your business bank account).

In some ways, funding a business now is easier than it used to be. You could try to track down local economic development loans or use crowdfunding websites (virtual fundraising campaigns that generally raise small sums) to raise capital. There are many sensible approaches, including pooling resources with a partner or starting out online instead of setting up shop in a brick-and-mortar store.

Resources to Get Started

There’s no reason to go it alone, and it’s better to seek assistance before you find that you need it. There are numerous resources, on a variety of topics, for

would-be entrepreneurs:

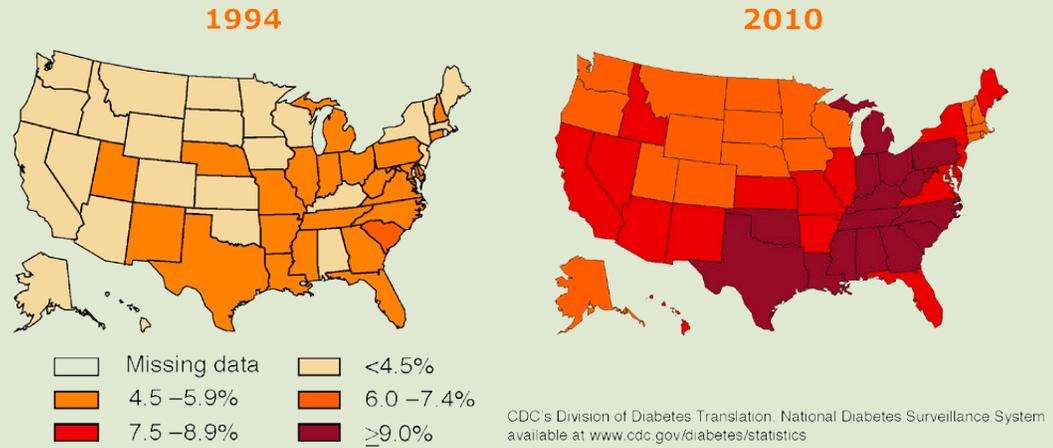
- Consider registering for an evening class at a local college to develop skills in business-related subjects, technology, and the industry you intend to enter.
- Outside of a class setting, hit the books. Read up on how to draft a solid business plan, finance your idea, and market your new endeavor.
- Operated in conjunction with the U.S. Small Business Administration, SCORE offers free advice to those just starting out. Their counselors are volunteers with business experience, matched to clients with similar business interests. Many entrepreneurs credit their success to such Internet resources.
- For its members, AARP’s website has free educational videos, tools to help entrepreneurs plan, and recommended reading in its Work Resources section.
- The U.S. Small Business Administration’s website, sba.gov, offers free online courses in accounting, marketing, and other subjects tailored to the encore entrepreneur.

There are a number of reasons to reinvent yourself in retirement as an entrepreneur: Maybe you’re all golfed out after endless rounds, you could use a source of supplemental income you earn on your own terms, or you have a sense of purpose you’re ready to fulfill through a new venture. See how much more retirement can bring to your life when you become your own boss!

Diabetes:

A disease affecting how the body processes sugar. It can also elevate glucose levels in the blood and thicken blood vessels.

Increase in Diagnosed Diabetes



LACERA's Special Durable Power of Attorney cont'd from pg.3

- A **General Power of Attorney** allows an agent to take any legal action the principal would want to take, such as filing a change of address, opening a bank account, or making tax elections. It automatically terminates once you become unable to act on your own behalf, as it does not contain the durable clause necessary for your agent to transact your retirement affairs. Someone may need to transact your retirement affairs on your behalf if you become seriously ill or permanently incapacitated. If this situation arises and you have a general power of attorney without a durable clause, LACERA is legally required to withhold your retirement allowance payments until a court appoints someone to handle your affairs.
- A **Durable Power of Attorney** is any power of attorney document that contains a durable clause, which is a provision stating that the agent you've designated can continue acting on your behalf after you become unable to handle your own affairs, including your retirement benefit transactions, if specifically stated in the

document. Once such a durable power of attorney is activated, it continues in force until revoked by the individual whose interests it protects or until that individual dies. LACERA's power of attorney contains a durable clause.

- A **Special Power of Attorney** appoints an agent to handle specific tasks or make decisions in certain situations, often for medical decisions when the principal is incapacitated. Other instances in which a special power of attorney might be used include handling banking transactions, collecting debts, and borrowing money. **The power of attorney LACERA offers, in addition to being durable, is a special power of attorney, limited to decisions related to your benefits as a LACERA member.**
- As principal, you may grant a **Limited Power of Attorney** by specifying restrictions in the power of attorney.

Executing LACERA's Special Durable Power of Attorney

Although we will accept a properly executed power of attorney that is not LACERA's, there are advantages

to using LACERA's Special Durable Power of Attorney. Most importantly, ours contains the durable clause and more specifically establishes your intention that your attorney-in-fact conducts your retirement business with LACERA. Additionally, the LACERA Special Durable Power of Attorney indicates Retirement Options specific to your LACERA retirement plan.

Designating An Attorney-in-Fact

You may designate anyone over the age of 18 to act as your attorney-in-fact. However, the actions LACERA permits your attorney-in-fact to take on your behalf vary according to your designee's relationship to you.

For more details, download or order LACERA's Special Durable Power of Attorney form, at the Brochures & Forms page on lacera.com.

Discuss your personal needs with an attorney before executing any power of attorney. LACERA does not provide legal advice. If you have questions regarding LACERA's requirements for accepting a power of attorney document, please call 800-786-6464 to speak with a Retirement Benefit Specialist or visit our Member Service Center in Pasadena.

BENEFITS CHECK - NEW DESIGN, MORE SECURE

As the winter newsletter arrives, LACERA members who receive their retirement allowance via check will notice a few changes. The paper checks have been updated with a new look and several security features, all of which helps LACERA to produce, protect, and provide the promised benefits.

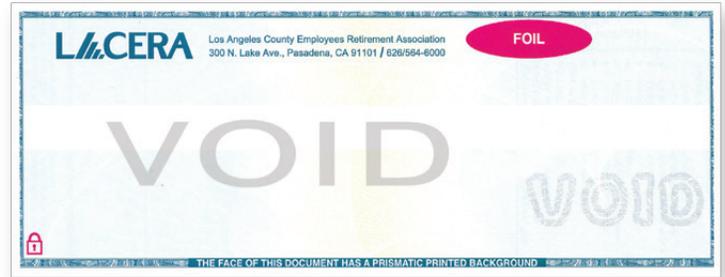
These changes affect only a small percentage of our members who still receive checks. Rest assured though, the changes were necessary to create the safest delivery of your retirement allowance. The changes include:

- Only the member's name appears on the check itself
- The member's name and address appear on

the "records" portion of the check, for added security

- The printed material totals 8½" x 14", so members can carefully review pertinent information
- A new, holographic foil stamp was added to the front of the check
- A heat-sensitive padlock emblem changes color or disappears when touched
- High-resolution warning band
- True watermark

Additionally, members should



have received two different mailing inserts along with the November and December retirement allowances that they will get at the end of each month. These inserts help to explain the new-look checks and all of the added security measures and features.

Have you considered Direct Deposit? It's easier than ever to enroll – see the Direct Deposit article on page 5 for details.

Beneficiary Information:

View and Change Online



My LACERA makes it convenient to change your data online. Now you can add, change, or remove any secondary beneficiary with ease, and change your \$5,000 Lump-Sum Death/Burial Benefit. Or if you need to, you can make simple changes like updating an address of your beneficiary.

The Process

On My LACERA, you'll find helpful resources to guide you through the four steps of updating your primary beneficiary information:

- Address
- Benefit Percentages

- If you have multiple beneficiaries, you cannot split 100 into fractions. For instance, Tom, Dick, and Harry would receive 34, 33, and 33 percent respectively.

- Review and sign

The last step of the process is where you review the information you entered and sign to confirm. My LACERA is secure and takes every consideration into account when verifying your personal signatory information, including multiple checkboxes and an eSignature to ensure the information you entered is valid.

Only Retirement Option 1 provides full flexibility to change your primary beneficiary after retirement. No matter which retirement option you selected, **you can change your \$5,000 Lump-Sum Death/Burial Benefit.** This benefit is only available to retirees, and remains changeable whenever you desire to make adjustments.

When you make changes on My LACERA, it automatically updates your data on file with LACERA.

Check out your My LACERA account today to see how easy it is.

LACERA Attorney Appointed to NAPPA Executive Board

LACERA congratulates its Senior Staff Counsel, Michael Herrera, on his appointment to the National Association of Public Pension Attorneys (NAPPA) Executive Board. In recognition of his effort and professional insight, NAPPA recently appointed Mr. Herrera to its nine-member Executive Board, on which he will serve a three-year term.

NAPPA is a legal professional and educational association of attorneys

throughout the U.S. who represent public pension funds.

Mr. Herrera, who has been with LACERA since 1999, has diligently represented LACERA to NAPPA among its other strategic partners, including the California Association of Public Retirement Systems (CalAPRS) and the Kern County Employees Retirement Association.



Email-
welcome@lacera.com

Call-
800-786-6464

Visit-
300 N. Lake Ave.
Pasadena, CA 91101

Website-
lacera.com

Staying Healthy Together: Workshop Overview

The Fall 2014 Staying Healthy Together Workshop was a huge success. This season's event was held at the Pickwick Gardens in Burbank, and featured Dr. Marc Hoffman from Kaiser Permanente, who discussed the prevention and treatment of diabetes. Those who attended learned about the causes of diabetes, ways to prevent it, and how to manage the disease.

Here's what our attendees said:

- "LACERA has the best workshops, I enjoy them every year."
- "Loved the doctor. He was informed, conveyed information well, and seemed genuinely eager to help. I'm glad that I attended, and I'm looking forward to another one."
- "Awesome. My first seminar."
- "The information and hospitality

were great"

- "The guest speaker was very good. Very knowledgeable about the topic."
- We hope you will join us at the next workshop, in Spring 2015. More detailed information will be coming soon.



**STAYING
HEALTHY
TOGETHER**

Learn More About LACERA

Want to know the latest on LACERA's financial condition and our fiscal year accomplishments? Give our report card, the enclosed 2014 Popular Annual Financial Report, a read. The Comprehensive Annual Financial Report will be available on lacera.com in January 2015.



Editor's Note: *Spotlight on Retirement* is created by LACERA's staff. Signed articles represent the opinions of the writers and not necessarily the opinions of LACERA Management, Board of Retirement, or Board of Investments. Consult with professional advisors regarding legal, tax, and/or medical matters; LACERA does not offer legal, tax, or medical advice.

Email: welcome@lacera.com